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UTAH OGM COAL PROGRAM MEETING NOTES

Meeting Date: August 9, 2006

To: Internal File, Bear Canyon Mine, C015025, Task No. 2526

From: SC Steve Christensen, Environmental Scientist II

Attendees: Wayne Hedberg, Coal Program
Joe Helfrich, Coal Program
Steve Christensen, Coal Program
Charles Reynolds, Co-Op Mining Co.
Mark Reynolds, Co-Op Mining Co.
Marc Stillson, Water Rights
Earl Gordon, Hunting, Cleveland Irrigation Company
Greg Irvine, Hunting, Cleveland Irrigation Company
Sherrel Ward, Hunting, Cleveland Irrigation Company
Darrel Leamaster, Castle Valley Special Services
Ronald Kennedy, Castle Valley Special Services
Jay Mark Humphrey, Emery Water Conservancy District

Purpose: Discuss water monitoring/water rights issues associated with the Bear Canyon Lease Expansion.

MEETING SUMMARY:

On August 9th, 2006 Division of Oil, Gas and Mining (the Division) personnel Wayne Hedberg, Joe Helfrich and Steve Christensen met with Huntington, Cleveland Irrigation Company (HCIC) personnel to discuss the Bear Canyon Mine lease addition. Charles and Mark Reynolds from C.O.P. were on hand to field questions and discuss their mine plan. In addition, representatives from Castle Valley Special Services and Marc Stillson from the Price Water Rights Office were in attendance. The meeting was held at the HCIC office in Huntington, Utah.

The meeting was a follow up to a presentation that was made to the HCIC board members on July 19th, 2006. At the July 19th meeting, copies of the proposed lease area, the proposed water monitoring plan and the water rights map submitted by C.O.P. were provided to HCIC board members. The maps were provided for their review in an attempt to identify their concerns in regard to proposed water monitoring and other hydrologic related issues.

HCIC members identified two pond areas and two water trough areas that were not identified on the proposed water monitoring or water rights maps. As a result, Division personnel, HCIC members, Mark Stillson from Water Rights and Mark Reynolds from C.O.P. scheduled a field visit to the proposed Bear Canyon Lease area on August 22nd, 2006 to field inspect these areas of concern.

Meeting Notes

Sherrel Ward, HCIC Chairman, requested that C.O.P. submit a mitigation plan to them for review. HCIC members reiterated several times during the meeting that they wanted a water replacement mitigation plan prior to permit approval. In addition to a mitigation plan, HCIC members stated the need for an outlined process to resolve issues that might arise in the event that mining activity impact the hydrologic resources in the proposed lease area. Mark Stillson from Water Rights suggested that his office could facilitate a mediation process if both sides agreed to it. Sherrel Ward also stated that HCIC would like to review the Forest Service's provisions for water protection/water replacement in the lease expansion area.

Darrel Leamaster from Castle Valley Special Services indicated that he would draft a proposed agreement for mitigation in the event of a water replacement issue. It appeared that Castle Valley Special Services primary concern in this regard was potential impacts to the recharge area of Big Bear Spring.